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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

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MARINA GARDENS – BDS, LLC, a Nevada
Limited Liability Company; MARINA GARDENS
– RAF, a Nevada Limited Liability Company,

Plaintiffs,

v.

HOUSTON SPECIALTY INSURANCE
COMPANY, a Texas Corporation; ENGLE
MARTIN & ASSOCIATES, LLC, a Georgia
Limited Liability Company; DOES I-XXX; and
ABC CORPORATIONS A-Z; inclusive,

Defendants.

Case No. 3:19-cv-00048-LRH-WGC

ORDER

Before the Court is defendants' Response to Order Dated February 13, 2019 (ECF No. 6). (ECF No. 9). Plaintiffs initiated the present action against defendants on December 26, 2018, in the Second Judicial District Court for Washoe County, Nevada. On January 31, 2019, defendants removed this action to federal court on the basis of diversity jurisdiction. (ECF No. 1). On February 13, 2019, the Court reviewed the removal petition and held that it was not clear from the complaint that the amount in controversy had been met. (ECF No. 6.) The Court granted defendants twenty days to establish the amount in controversy by submitting summary judgment type evidence to the court. (*Id.*) Thereafter, defendants filed a response to the court's February 13, 2019 order. (ECF No. 9).

The Court has reviewed defendants' response and finds that defendants have established that the amount in controversy has been met. Where, as here, it is not facially evident from the

1 face of the complaint that the amount in controversy exceeds \$75,000, “the removing defendant
2 bears the burden of establishing, by a preponderance of the evidence, that the amount in
3 controversy exceeds \$[75],000.” *Sanchez v. Monumental Life Ins. Co.*, 102 F.3d 398, 404 (9th Cir.
4 1996). Defendants contend that the amount in controversy requirement is met with an affidavit
5 from Corby Schmautz, a National General Adjuster for Engle Martin & Associates, LLC, in which
6 Mr. Schmautz attaches a May 17, 2018 letter received from RAF Properties, LLC (the insured). In
7 the letter, demand is made for payment of \$659,170.22 from defendants Houston Specialty
8 Insurance Company and Engle Martin & Associates, LLC. (ECF No. 9-1). The demand letter is
9 sufficient to establish that the amount in controversy is greater than \$75,000, where the letter
10 “appears to reflect a reasonable estimate of the plaintiff’s claim.” *Cohn v. Petsmart, Inc.*, 281 F.3d
11 837, 840 (9th Cir. 2002). Here, plaintiffs have alleged that an apartment building they own
12 “suffered a fire loss,” and the supporting documentation indicates that one of the buildings needed
13 to be completely rebuilt. (ECF Nos. 1-1 at 4; 9-1 at 5). The amount requested in the demand letter
14 appears to reasonably reflect plaintiffs’ alleged loss.

15 Therefore, the Court finds that defendants have proffered sufficient evidence establishing
16 an amount in controversy greater than \$75,000. Accordingly, the Court shall accept defendants’
17 removal of this action and exercise diversity jurisdiction over the complaint.

18 IT IS SO ORDERED.

19 DATED this 18th day of March, 2019.

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21 LARRY R. HICKS
22 UNITED STATES DISTRICT JUDGE
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